



Retail Telecommunication Excise Tax

15-53-130, MCA

This form must be completed in its entirety.

Report for the quarter ending _____, 20____
(Due sixty days after the quarter end)

I. Telecommunication Provider Information

a. Provider name and address

b. Federal Identification Number

c. Request to file on accrual and electronic basis
(see instructions)

d. Is this a final return? ____ Yes ____ No
If yes, attach an explanation and date of
sale or merger or close if business.

II. Tax Computation

	Total Gross	Exclusions	Wholesale	Retail
1. Revenue attributable to Montana telecommunication services: (see instructions on back side)				
a. Wireless	_____	_____	_____	_____
b. Long distance	_____	_____	_____	_____
c. Local exchange	_____	_____	_____	_____
d. Other	_____	_____	_____	_____
Total	_____	_____	_____	_____
2. Multiply total retail by .0375 (3.75% tax) (total retail = sum of a, b, c, and d)				_____
3. Less credits: Excise tax paid on worthless accounts				(_____)
4. Adjustment to previous quarters (attach explanation)				_____
5. Penalty and interest (see instructions)				_____
6. Total paid with this return (sum of lines 2, 3, 4 and 5)				_____
7. Internet access revenue (see instructions for line 7)				_____

Revenue Account Code 512043

Signature of Principal/Agent/Preparer

Date

Phone

(Ext.)

Instructions for Retail Telecommunication Excise Tax Return

Part I. Telecommunication Provider Information

- a. Please enter the name and address of your business.
- b. Please enter your Federal Identification Number.
- c. You may request to file on both an accrual and electronic basis by sending a written request to the address below. Please Note: Per Administrative Rule 42.31.505, if the total amount of the telecommunications excise tax due is less than \$50 in each of the quarters during the preceding calendar year, the taxpayer may file an annual return in lieu of filing the quarterly returns, provided the annual return is filed along with full payment within 60 days after the close of the calendar year.
- d. Please check "yes" if this is the final return for your business. If this business has been sold or consolidated as a result of a business merger, please indicate so in a letter of explanation that includes the new business' name and address. Also include in the letter the effective date of the merger, consolidation or sale. If this business is being discontinued, please indicate so in a letter of explanation that includes the last date business was conducted.

Part II. Tax Computation

Line 1. Provide total gross revenue, exclusionary revenue, wholesale revenue, and retail revenue for those items listed a, b, c, and d. Exclusions from taxable revenue would include: 1) federally imposed charges or fees collected and remitted to a federal government entity, 2) charge for a dishonored check, 3) finance or credit charge, penalty or charge for delayed payment, discount for prompt payment, 4) charge for construction or relocation of facilities, 5) repair, inspection, or servicing of equipment located on customer premises, 6) bad debt, 7) charge added by a hotel, motel or similar facility for telecommunications services used in placing calls for guests, 8) charges paid by inserting coins in coin operated telecommunications devices, 9) charges for telecommunications services that have been prepaid by a prepaid calling card that enables the origination of calls by using an access number or authorization code, 10) federal government purchases of telecommunication services, and 11) enrolled Native American entities, including tribal offices, businesses owned by the tribe and operating on the tribal reservation, and enrolled tribal members residing on their reservation.

NEW

Federal Mobile Telecommunications Sourcing Act

With the passage of SB 387, Montana has adopted the Federal Mobile Telecommunications Sourcing Act and sourcing rules for specific land line telecommunication services (effective July 1, 2003).

All 2-way mobile telecommunication charges (excluding wholesale) are subject to this tax if the customer's place of primary use is in Montana.

NEW

New Sourcing Rules for Specific Land Line Telecommunication Services

- Postpaid Calling - Telecommunications services paid for on a postpaid calling basis is taxable in Montana when the origination point of the telecommunications signal is in Montana.
- Private Communications Service – These services are sourced for taxation based on customer termination points. All services are taxable to Montana if all customer termination points are located within Montana. Customer termination points that exist in Montana and another jurisdiction are sourced for taxation based on a ratio of Montana customer termination points by the total number of customer termination points.

Except for mobile telecommunications and the new sourcing rules listed above, Retail revenue/sales price includes any retail telecommunications that originate or terminate in the state of Montana and is charged to a customer with a Montana service address. **Do not** include revenue attributable to internet access charges. Please record that revenue on line 7. Also, state and local governments are **not exempt** from the retail telecommunication excise tax.

Sales price shall include: federal subscriber line charges and other federally authorized charges and fees collected but not remitted to a federal governmental entity by the telecommunications carrier, and to retail telecommunications installation and activation charges made after June 30, 2001.

Retail Telecommunications Includes Related Services

"Related Services" for retail telecommunication excise tax purposes, means the offering of a capability for generating, acquiring, storing, transforming, processing, retrieving, utilizing or making available information via telecommunications through, but not limited to, operator and information services, directory assistance, call waiting, call forwarding, caller ID, call rejection, last call return, priority call, speed calling, three-way calling, voice messaging, continuous redial and line blocking.

Line 2. Multiply 3.75% (.0375) by the total retail. Total retail can be found by adding the retail column (a, b, c, and d)

Line 3. Deduct, as a tax credit, any amount of tax previously paid on sales that are found to be worthless.

Line 4. If you have an adjustment to a previous quarter, attach an explanation and show the amount of debit or credit on the line.

Line 5. If your return/payment is delinquent, you are subject to a penalty and interest payment. Interest on late tax payments must bear interest until paid at a rate of 1% a month or fraction of a month, computed from the original due date of the return. A penalty of 1.5% a month on unpaid taxes, not to exceed 18% of the tax due, is assessed on late payments.

Line 6. Please indicate the amount of tax actually submitted with this return.

Line 7. Provide the retail revenue generated as an Internet Service Provider (ISP). An ISP is a company or organization that provides Internet access to the public or to other organizations. These charges are not subject to the retail telecommunications excise tax at this time.

The person completing this return must include a telephone number and extension where he/she can be reached during normal business hours.

Please mail this return and any payment to:
Montana Department of Revenue
P.O. Box 5835
Helena, MT 59604-5835

For more information call the Customer Service Center at (406) 444-6900